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YUXING INFOTECH INVESTMENT HOLDINGS LIMITED

裕興科技投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8005)

VERY SUBSTANTIAL DISPOSAL RELATING TO DISPOSAL OF THE SALE EQUITY INTEREST

THE AGREEMENT

On 28 April 2021 (before trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Company (as the Vendor's guarantor) entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Equity Interest at the consideration of US\$68,000,000 (subject to adjustments). The Company agreed to guarantee the obligations of the Vendor in favour of the Purchaser under the Agreement.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal is above 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A SGM will be convened and held by the Company for the Shareholders to consider and, if thought fit, approve (among others) the Disposal.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and therefore no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve, among other things, the Disposal.

A circular containing, among other things, further information on the Agreement and the Disposal, other information as required under the GEM Listing Rules and a notice of the SGM will be despatched to the Shareholders on or before 18 May 2021.

GENERAL

Completion of the Agreement is subject to the satisfaction of the conditions precedent and terms thereof, and therefore the Disposal may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

INTRODUCTION

On 28 April 2021 (before trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Company (as the Vendor's guarantor) entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Equity Interest at the consideration of US\$68,000,000 (subject to adjustments). The Company agreed to guarantee the obligations of the Vendor in favour of the Purchaser under the Agreement.

THE AGREEMENT

The principal terms of the Agreement are as follows:

1. Date

28 April 2021 (before trading hours)

2. Parties

The Vendor: Indeed Holdings Limited

The Purchaser: Empress Investments Pte. Ltd.

The Vendor's Guarantor: the Company

3. Equity interest to be disposed of

100% of the equity interest of the Target Company

4. Land and Property to be disposed

The principal asset of the Target Company is the Land and Property in the PRC. The Land and Property consists of:

- (a) the land situated at 中國上海市閔行區新源路1188號 (No. 1188, Xin Yuan Road, Minhang District, Shanghai City, the PRC) and with an area of approximately 62,634 square metres (the "**Land**"); and
- (b) the factory building with an area of approximately 54,930.56 square metres erected on the Land.

The Target Company and Shanghai Minyun entered into a lease agreement (the "**Lease Agreement**") on 16 January 2017, pursuant to which the Land and Property has been leased by the Target Company to Shanghai Minyun for a term of 10 years commencing from 1 March 2017 to 1 March 2027 for the operation of the Data Centre with a monthly rental income of RMB2,100,000 from 1 March 2017 to 28 February 2022, and approximately RMB2,333,000 from 1 March 2022 to 28 February 2027. As at the date of this announcement, all facilities and equipment of the Data Centre are owned by Shanghai Minyun.

5. Consideration

The initial consideration (the “**Initial Consideration**”) as agreed among the Vendor, the Purchaser and the Company under the Agreement is US\$68,000,000 (equivalent to approximately HK\$530,400,000).

The Initial Consideration will be subject to the following adjustments:

- (a) if the Target Company has remaining cash balance or liabilities as at Completion, the consideration will be adjusted using the formulae below:

Adjusted Consideration = the Initial Consideration + cash balance of the Target Company as at Completion – liabilities of the Target Company as at Completion (the “**Cash/Liability Adjustment**”)

- (b) if the circumstances as set out in paragraph (e) of the section headed “6. Payment mechanism” below occur, the consideration will be adjusted using the formulae below:

Adjusted Consideration = the Initial Consideration x 72.8049% + Cash/Liability Adjustment

Pursuant to paragraph (b) above, if the Reconstruction Registration (as defined below) is not completed within the prescribed period as contemplated under the Agreement, it is agreed between the parties that the Initial Consideration will be reduced by 27.1951%. This is determined by the parties after taking into account that, if the Reconstruction Registration fails to complete, the total building area of the Land and Property will not increase from approximately 54,930.56 square metres to not less than 74,513.22 square metres (representing a reduction of approximately 26.3%).

Within five (5) Business Days after the amount of Cash/Liability Adjustment is ascertained, the Purchaser (or the Vendor) will pay such amount to the Vendor (or the Purchaser), as the case may be.

The Initial Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser after taking into account, among other things, (i) the fair value of the Land and Property as at 31 December 2020 of RMB334,300,000 (equivalent to approximately HK\$397,220,000) according to the valuation report prepared by the Independent Valuer on the market value basis of capitalisation of net rental income derived from the existing tenancy with allowance for the reversionary income potential (the “**Valuation**”); (ii) that the Agreement is inter-conditional with the Shanghai Minyun Agreement and the Purchaser will therefore be able to acquire and operate the entire business of the Data Centre, which justifies the Initial Consideration to be set at a premium to the net asset value of the Target Company from commercial perspective.

The Initial Consideration represents a premium of approximately 25.71% to the unaudited net asset value of the Target Company as at 31 December 2020 of approximately HK\$421,909,000; and a premium of approximately 33.53% to the Valuation of RMB334,300,000 (equivalent to approximately HK\$397,220,000).

The Valuation which was prepared as at 31 December 2020 has not taken into account the expected completion of the Reconstruction Registration. As advised by the Independent Valuer, the completion of the Reconstruction Registration will not affect the valuation of the fair value of the Land and Property until the increased floor area and new infrastructure under the Reconstruction Project are leased out and rental income is charged. The Company will include an updated valuation report of the Land and Property in the circular to be despatched to the Shareholders.

6. Payment mechanism

An escrow account (the “**Escrow Account**”) will be set up by the Vendor and the Purchaser at an offshore bank (the “**Bank**”) within ten (10) Business Days after signing of the Agreement.

The Consideration will be satisfied in cash by the Purchaser to the Vendor in the following manners:

- (a) US\$34,000,000 (equivalent to approximately HK\$265,200,000), which represents 50% of the Initial Consideration (the “**First Payment**”), shall be transferred by the Purchaser to the Escrow Account within two (2) months of the signing of the Agreement. For the avoidance of doubt, the First Payment shall not be made later than the date of Completion;
- (b) US\$15,507,332 (equivalent to approximately HK\$120,957,000), which represents 22.8049% of the Initial Consideration (the “**Second Payment**”), shall be transferred by the Purchaser to the Escrow Account within five (5) Business Days after the fulfilment of the conditions precedent as set out in paragraphs (a) to (j) under the section headed “7. Conditions precedent” below. If such conditions are fulfilled within two (2) months of the signing of the Agreement, the aggregate amount of the First Payment and the Second Payment shall be transferred by the Purchaser to the Escrow Account within five (5) Business Days after the date of fulfilment of such conditions. For the avoidance of doubt, the Second Payment shall not be made later than the date of Completion;
- (c) the Vendor and the Purchaser shall instruct the Bank to transfer the aggregate amount of the First Payment and the Second Payment (deducting an amount withheld for tax payment purpose), being US\$46,403,752 (equivalent to approximately HK\$361,949,000), in the Escrow Account to the designated bank account of the Vendor (the “**Vendor’s Account**”) on the date of Completion;
- (d) subject to paragraph (e) below, US\$18,492,668 (equivalent to approximately HK\$144,243,000), which represents 27.1951% of the Initial Consideration (the “**Third Payment**”) shall be transferred (after deducting an amount withheld for tax payment purpose) by the Purchaser to the Vendor’s Account within five (5) Business Days after the Reconstruction Registration, the receipt of written notice that the Reconstruction Registration is completed and the receipt of the relevant property certificates.

“**Reconstruction Registration**” refers to the registration of and obtaining the relevant certificates for the reconstruction project (the “**Reconstruction Project**”) of the Land and Property relating to the increase of floor area and reconstruction of factory into infrastructure for the operation of the Data Centre, and the obtaining of the renewed real property certificate (“**Renewed Certificate**”) from the relevant land authority in the PRC which sets out that the total building area of the Land and Property is not less than 74,513.22 square metres (representing 2% below 76,033.9 square metres).

The parties agreed that the Reconstruction Registration shall be completed within six (6) months after the date of the Agreement. If the Reconstruction Registration cannot be completed within six (6) months after the date of the Agreement, the time requirement will automatically be extended to eighteen (18) months after the date of the Agreement, unless the failure to complete the Reconstruction Registration within six (6) months is due to the deliberate delay, omission or gross negligence of the Vendor (the “**Registration Deadline**”).

The Reconstruction Registration is the responsibility of the Vendor, and all costs relating to the Reconstruction Registration shall be borne by the Vendor.

If the Reconstruction Registration is completed before the date of Completion, the Purchaser has received written notice from the Vendor five (5) Business Days before the date of Completion stating that the Reconstruction Registration has been completed, and the relevant property certificates have been received by the Purchaser on the date of Completion, the Third Payment shall be transferred by the Purchaser to the Vendor’s Account on the date of Completion.

- (e) if the Reconstruction Registration cannot be obtained before the Registration Deadline (i.e. six (6) months or eighteen (18) months after the date of the Agreement, as the case may be), or the Vendor confirms that it cannot complete the Reconstruction Registration, the Purchaser will no longer be required to make the Third Payment; and the amount of consideration shall be adjusted pursuant to paragraph (b) of the section headed “5. Consideration” above.

Based on the latest status of the Reconstruction Project and the relevant laws and regulations in the PRC, the Group expects that the construction of the Reconstruction Project will substantially complete in June 2021 and the Renewed Certificate will be obtained in around August 2021. The Company therefore considers that it is reasonable to set a time frame of six-month after the date of Agreement for the obtaining of the Reconstruction Registration in the Agreement. As disclosed above, even if the Reconstruction Registration cannot be completed within the six-month period, the Vendor and the Purchaser have agreed to extend for a further twelve-month period to the Registration Deadline.

As at the date of this announcement, all relevant filings, submissions and applications in respect of the Reconstruction Project have been made with the relevant authorities and are in progress. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Company does not foresee any major obstacles in completion of the Reconstruction Project and obtaining the Reconstruction Registration. The estimated cost for the Reconstruction Project and obtaining the Reconstruction Registration is not more than approximately US\$5,000,000 (equivalent to approximately HK\$39,000,000) and the estimated time required for obtaining the Reconstruction Registration is approximately four (4) months after the date of the Agreement.

7. Conditions precedent

Completion is conditional upon the following conditions being satisfied (and/or waived by the Purchaser):

- (a) the approval by the Shareholders at the SGM of the Agreement and the transactions contemplated thereunder, including but not limited to the guarantee to be provided by the Company, and compliance by the Company of all applicable requirements under the GEM Listing Rules in relation to the Agreement and the transaction contemplated thereunder;
- (b) the approval by the sole shareholder and/or the sole director of the Vendor of the Agreement and the transactions contemplated thereunder, including but not limited to the appointment of the personnel designated by the Purchaser as the legal representative, directors, supervisor and general manager of the Target Company;
- (c) the supplemental due diligence of the Reconstruction Registration of the Target Company having been completed by the Purchaser;
- (d) the Sale Equity Interest and the Land and Property are free from any encumbrances;
- (e) the loan of RMB105,600,000 by the Target Company to its related parties (the “**Loan**”) having been repaid in full, and the balance of cash of the Target Company as at the date of Completion being not lower than RMB91,000,000;
- (f) the auditors nominated by the Vendor and the Purchaser and engaged by the Target Company having issued the audit reports of the Target Company for the financial year 2020;
- (g) no events having arisen which may or have Material Adverse Effect against the Target Company, the Land and Property, the Disposal and/or the Data Centre since the date of the Agreement;
- (h) the representations made by and the warranties given by the Vendor remain true and accurate in all material respects as at Completion;
- (i) the Vendor having performed and complied with all agreements, obligations and undertakings relating to the Agreement and the Disposal in all material respects;
- (j) the Shanghai Minyun Agreement having been signed and become effective, and all conditions precedent under the Shanghai Minyun Agreement (save for relevant industrial and commercial registration for the equity transfer under the Shanghai Minyun Agreement) having been fulfilled.

The parties to the Agreement have agreed and confirmed that the transactions contemplated under the Shanghai Minyun Agreement and the Disposal constitute a whole transaction which is indivisible. Pursuant to the Shanghai Minyun Agreement, the shareholders of Shanghai Minyun will dispose of the 100% equity interest of Shanghai Minyun to a company which will be established by the Purchaser in the PRC;

- (k) the Target Company having completed the IC Registration and obtained the new business license and filed notices in respect of the IC Registration, which should state that: (i) the Sale Equity Interest has been registered under the name of the Purchaser; and (ii) the legal representative, directors, supervisor and manager of the Target Company have been changed to the personnel designated by the Purchaser (the content of the notice shall be in the form issued by the relevant governmental authorities in the PRC); and
- (l) relevant changes as a result of the Disposal having been reported to the relevant commerce authorities through the enterprise registration system.

It is expected that the Loan will be settled by the related parties in cash. Upon settlement, the repayment amount will become assets (cash) of the Target Company and therefore form part of the cash balance under the Cash/Liability Adjustment as set out in the section headed “5. Consideration” above.

As set out in paragraph (j) above, the Agreement is conditional upon the signing and fulfilment of conditions precedent of the Shanghai Minyun Agreement. This has been agreed between the parties as the reason of the Purchaser to enter into the Agreement is to acquire the entire (but not part of) business of the Data Centre. In order to achieve such purpose, the Purchaser has to acquire both the Target Company which owns the Land and Property (as contemplated under the Agreement) and Shanghai Minyun which owns all facilities and equipment of the Data Centre and operates the business of the Data Centre (as contemplated under the Shanghai Minyun Agreement).

The Purchaser has the right to waive any conditions precedent above (other than those set out in paragraphs (a), (b) and (e)) at any time after the date of the Agreement by notice in writing to the Vendor.

If the conditions precedent of the Agreement are not fulfilled (or waived by the Purchaser) within three (3) months after the date of the Agreement, the Vendor and the Purchaser shall cooperate on a best effort basis and proceed to Completion no later than six (6) months after the date of the Agreement (the “**Long Stop Date**”). If the Completion does not take place on or before the Long Stop Date, the Vendor and the Purchaser can negotiate and agree on an extension of the Long Stop Date within ten (10) Business Days. However, if the Vendor and the Purchaser cannot agree on the extension within ten (10) Business Days after the Long Stop Date, each of the Vendor and the Purchaser has the right to terminate the Agreement (except that the failure to fulfil the relevant condition precedent(s) is due to its failure or delay to take action with its reasonable efforts).

8. **Guarantee**

The Company, as primary obligor and not merely as surety, unconditionally and irrevocably:

- (a) guarantees by way of continuing obligation to the Purchaser the due and punctual performance by the Vendor of all its other obligations contained in the Agreement; and
- (b) undertakes to the Purchaser to procure the due and punctual payment of all amounts payable by the Vendor under the Agreement.

9. Completion

Subject to the Long Stop Date or another date as agreed by the Vendor and the Purchaser (see the section headed “7. Conditions precedent” above), Completion shall take place at the registered address of the Target Company (or other location as agreed between the Vendor and the Purchaser in writing) within three (3) Business Days (or such other date as agreed between the Vendor and the Purchaser in writing) after (i) the Purchaser are satisfied that all conditions precedent under the Agreement are fulfilled (or waived by the Purchaser); and (ii) all conditions precedent under the Shanghai Minyun Agreement are fulfilled.

INFORMATION ON THE TARGET COMPANY

The Target Company is established in the PRC and is an indirect wholly-owned subsidiary of the Company. The Target Company is principally engaged in the leasing out of the Land and Property.

A summary of the unaudited financial information of the Target Company for the two years ended 31 December 2020 is set out below:

	For the year ended	
	31 December	
	2019	2020
	(unaudited)	(unaudited)
	<i>HK\$' 000</i>	<i>HK\$' 000</i>
Revenue	27,257	26,988
Profit before taxation	28,384	24,954
Profit after taxation	13,166	20,251

As at 31 December 2020, the major assets of the Target Company were (i) the Land and Property, (ii) the amount due from the related party under the Loan of approximately HK\$155,181,000 and (iii) cash and bank balances of approximately HK\$2,087,000.

As at 31 December 2020, the major liabilities of the Target Company were (i) trade and other payables of approximately HK\$16,177,000 and (ii) deferred tax liabilities (representing the recognition of taxable temporary difference arising from the fair value changes of investment properties) of approximately HK\$116,272,000.

The unaudited net asset value of the Target Company as at 31 December 2020 was approximately HK\$421,909,000.

The preliminary valuation of the Land and Property as appraised by the Independent Valuer as at 31 December 2020 was RMB334,300,000 (equivalent to approximately HK\$397,220,000).

INFORMATION ON THE VENDOR AND THE GROUP

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding.

The Company is an investment holding company and the Group is principally engaged in the businesses of information home appliances, internet data centre, investing and leasing.

INFORMATION ON THE PURCHASER

The Purchaser is incorporated in Singapore with limited liability and is principally engaged in the investment in data centre. The ultimate beneficial owner of the Purchaser is CapitaLand Limited, which is a public company with its shares listed on the Singapore Exchange (SGX: C31).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON SHANGHAI MINYUN

Shanghai Minyun is a company established in the PRC and is principally engaged in the investment in data centre.

As advised by the Purchaser and based on public information, the ultimate beneficial owners of Shanghai Minyun are AVIC Capital Co., Ltd.* (中航資本控股股份有限公司), China Life Insurance Company Limited* (中國人壽保險股份有限公司), Guotong Sia (Suzhou) Industrial Investment Fund Partnership (Limited Partnership)* (國同新航(蘇州)產業投資基金合夥企業(有限合夥)), Shanghai International Group Corporation Limited* (上海國際集團有限公司), Shanghai State-owned Enterprise Reform and Development Equity Investment Fund Partnership (Limited Partnership)* (上海國企改革發展股權投資基金合夥企業(有限合夥)), Shanghai Shangguo Investment Management Co., Ltd.* (上海上國投資產管理有限公司), Oversea-Chinese Banking Corporation Limited (華僑銀行有限公司), Zhenjiang Zhongzhi Investment Management Co., Ltd.* (鎮江中智投資管理有限公司), AVIC Trust Co., Ltd.* (中航信託股份有限公司) and Kong Deqing (孔德卿).

As advised by the Purchaser and based on public information, as at the date of this announcement, (i) AVIC Capital Co., Ltd.* (中航資本控股股份有限公司), being a public company with its shares listed on the Shanghai Stock Exchange (Shanghai stock code: 600705), indirectly owned more than 59% of the entire equity interest of Shanghai Minyun; (ii) China Life Insurance Company Limited* (中國人壽保險股份有限公司), being a public company with its shares listed on the Shanghai Stock Exchange (Shanghai stock code: 601628), indirectly owned more than 13% of the entire equity interest of Shanghai Minyun; (iii) Oversea-Chinese Banking Corporation Limited (華僑銀行有限公司), being a public company with its shares listed on the Singapore Exchange (SGX: O39), indirectly owned more than 17% of the entire equity interest of Shanghai Minyun; and (iv) each of the other ultimate beneficial owners of Shanghai Minyun, being private company or individual, indirectly owned less than 5% of the entire equity interest of Shanghai Minyun.

As advised by the Purchaser, there is no relationship (business or otherwise) between Shanghai Minyun and the Purchaser.

FINANCIAL EFFECTS OF THE DISPOSAL

Earnings

The Company expects to record a gain on the Disposal of approximately HK\$123,102,000 before taxation, which is calculated with reference to the Initial Consideration (taking into account of the likelihood of obtaining the Reconstruction Registration), as adjusted by, amongst other things, (i) intercompany balances, bank balances and other payables (excluding deferred tax liabilities and other items) of the Target Company as at 31 December 2020 of approximately HK\$146,435,000, (ii) legal and professional expenses and stamp duties relating to the Disposal of approximately HK\$1,739,000, (iii) estimated cost of Reconstruction Project of approximately HK\$36,560,000 and (iv) adjustment in investment properties on acquisition by the Group of the Vendor in September 2017 of approximately HK\$70,970,000, minus the unaudited net asset value of the Target Company (being approximately HK\$421,909,000 as reflected in the unaudited proforma consolidated financial statements of the Target Company prepared in accordance with Hong Kong Financial Reporting Standards as at 31 December 2020) and release of translation reserves of the Target Company upon the Disposal. The estimated gain to be derived from the Disposal has not taken into account the potential tax impact upon completion of the Disposal.

However, the actual amount of net gain from the Disposal can only be determined at Completion and the completion of Reconstruction Registration.

Assets and liabilities

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results and the assets and liabilities of the Target Company will cease to be consolidated into the consolidated financial statements of the Group.

Shareholders should note that the financial impact set out above is for illustrative purpose only, which will have to be ascertained at the time of preparation of the Company's consolidated financial statements with reference to, among other things, the actual costs and expenses associated with the Disposal, and is subject to audit.

USE OF PROCEEDS

Based on the total estimated amount of the Consideration of US\$68,000,000 (equivalent to approximately HK\$530,400,000) (subject to adjustments), the net cash proceeds from the Disposal are estimated to be approximately HK\$452,675,000.

In view of the current financial position of the Group, it is presently expected that:

- (a) approximately 80% of the net proceeds from the Disposal will be used for the internet data centre project construction and relevant investment in internet data centre of the Group; and
- (b) approximately 20% of the net proceeds from the Disposal will be used for the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

As disclosed in the announcement of the Company dated 26 June 2017, the Company entered into the sale and purchase agreement to acquire the entire equity interest in the Vendor through its wholly-owned subsidiary on 26 June 2017. The Directors by the time considered that (a) the acquisition will enlarge the Group's leasing portfolio and strengthen its leasing business; (b) the Group's source of income will potentially increase the Group's revenue and enhance the Group's profitability and value to the Shareholders; and (c) it is expected that the value of the Land and Property will appreciate in the long run.

Since the acquisition of the Vendor on 7 September 2017, the Land and Property has provided stable rental income to the Group. The fair value of the Land and Property has also increased from RMB319,800,000 as at 7 September 2017 to RMB334,300,000 as at 31 December 2020 (as appraised by the Independent Valuer).

In light of the uncertainties in the global economy in face of lock-down measures to combat Coronavirus Disease 2019 (COVID-19), the Directors consider that the Disposal represents a valuable opportunity for the Group to accelerate the return of this investment in the Land and Property at a considerable profit and also to generate substantial cash inflow upon Completion.

After Completion, the Group will continue with the following internet data centre businesses:

- (a) the internet data centre established by the Group in San Jose, the United States which is expected to commence operation by the end of 2021; and
- (b) a sale and leaseback arrangement of data centre assets (comprising machines, equipment, fixtures, furniture, supplies, tools and other tangible assets in the Shatin data centre in Hong Kong) entered into between the Group and a lessee in 2020 (for details, please refer to the announcements of the Company dated 29 April 2020 and 5 May 2020).

The Group will also continue with its other businesses after Completion, which include information home appliances, investing and leasing.

Based on the above, the Directors are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal is above 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A SGM will be convened and held by the Company for the Shareholders to consider and, if thought fit, approve (among others) the Disposal.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and therefore no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve, among other things, the Disposal.

A circular containing, among other things, further information on the Agreement and the Disposal, other information as required under the GEM Listing Rules and a notice of the SGM will be despatched to the Shareholders on or before 18 May 2021.

GENERAL

Completion of the Agreement is subject to the satisfaction of the conditions precedent and terms thereof, and therefore the Disposal may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	the conditional equity transfer agreement dated 28 April 2021 entered into amongst the Vendor, the Purchaser and the Company in relation to the Disposal
“Board”	board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday in the PRC, Hong Kong and Singapore) on which licensed banks in the PRC, Hong Kong and Singapore are open for general banking business in the PRC, Hong Kong and Singapore throughout their normal business hours
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on GEM (Stock Code: 8005)
“Completion”	completion of the Agreement
“Consideration”	the total consideration for the Disposal payable by the Purchaser to the Vendor pursuant to the Agreement
“Data Centre”	the internet data centre being operated by Shanghai Minyun on the Land and Property
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Equity Interest by the Vendor pursuant to the Agreement

“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IC Registration”	industrial and commercial registration in respect of the Disposal at the relevant governmental authorities in the PRC
“Independent Valuer”	an independent property valuer in Hong Kong
“Independent Third Party”	person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Land and Property”	the property, consist of: <ul style="list-style-type: none"> (a) the land situated at 中國上海市閔行區新源路1188號 (No. 1188, Xin Yuan Road, Minhang District, Shanghai City, the PRC) and with an area of approximately 62,634 square metres; and (b) the factory building with an area of approximately 54,930.56 square metres erected on the land
“Material Adverse Effect”	in respect of any facts, events, changes, matters, circumstances, progress or results, means (i) any material adverse effect on the business, financial conditions, operations results or prospects of the Target Company; or (ii) anything which may impede, severely delay or severely impede the performance of obligations under the Agreement or in relation to the Completion by any party to the Agreement
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Empress Investments Pte. Ltd., a company incorporated in Singapore with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	100% of the equity interest of the Target Company

“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Shanghai Minyun”	Shanghai Minyun Technology Company Limited* (上海閔雲科技有 限公司), a company established in the PRC with limited liability and an Independent Third Party
“Shanghai Minyun Agreement”	the equity transfer agreement in respect of the transfer of 100% equity interest of Shanghai Minyun by its shareholders to a company which will be established by the Purchaser in the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Indeed Technology Co., Ltd. (上海一鼎電子科技有限公 司), a company established in the PRC with limited liability
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Indeed Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

By order of the Board
Yuxing InfoTech Investment Holdings Limited
Li Qiang
Chairman

Hong Kong, 28 April 2021

* For identification purposes only

As at the date hereof, the executive Directors of the Company are Mr. Li Qiang, Mr. Cong Yu, Mr. Gao Fei, Mr. Shi Guangrong, Mr. Zhu Jiang and Mr. Chen Biao; the independent non-executive Directors of the Company are Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.yuxing.com.cn.